

THE ESTATE DUTY (DISTRIBUTION) ACT, 1962

ACT NO. 9 OF 1962

[30th March, 1962.]

An Act to provide for the distribution of the net proceeds of the estate duty among the State in pursuance of the principles of distribution formulated and the recommendations made by the Finance

Commission in its 1[report dated the 30th day of April, 1984]

Be it enacted by Parliament in the Thirteenth Year of the Republic of India as follows:--

1.

Short title.

1.Short title. This Act may be called the Estate Duty (Distribution) Act, 1962.

2.

Definitions.

2.Definitions. In this Act,--

(a) "estate duty" means the estate duty levied under the Estate Duty Act, 1953 (34 of 1953.) in respect of property other than agricultural land;

(b) "State" does not include a Union territory.

3.

Distribution of net proceeds of estate duty assigned to the States.

2* 3.Distribution of net proceeds of estate duty assigned to the States. (1) During 3[each of the financial years commencing on and

after the 1st day of April, 1984] the net proceeds of estate duty levied and collected during that financial year shall, after deducting therefrom the net proceeds attributable to Union territories *3[be distributed] among the States in proportion to the gross value of all property situated in the respective States and brought into assessment in that financial year.

(2) For the purposes of this section,-

(a) "gross value", in relation to property, means the total value of all property passing on the death of any person as determined by the Controller under the Estate Duty Act, 1953 (34 of 1953);

(b) "net proceeds" includes the estate duty the payment whereof has been accepted in accordance with the provisions of, section 52 of the Estate Duty Act, 1953 (34 of 1953);

(c) "net proceeds attributable to Union territories" means the portion of net proceeds which bears to the total net proceeds in any financial year the same proportion which the gross value of all property, situated, in all the Union territories and brought into assessment in that financial year bears to the total gross value of all property brought into assessment in that year;

(d) "property" does not include agricultural land;

(e) any property situated outside India shall be deemed to be situated in the State or, as the case may be, the Union territory wherein the value of such property has been brought into assessment.

1 Subs. by Act 15 of 1969, s.2 for "dated the 12th day of August, 1965" (w.e.f. 1-4-1969).

2 Subs. by Act 51 of 1965, s.3 for "sub-section (1) (w.e.f. 1-4-1966)

3 Subs. by Act 15 of 1969, s.3 for "1st day of April, 1966" (w.e.f. 1-4-1969).

4 Subs. by S. 3, ibid. for "two per cent." (w.e.f. 1-4-1969).

5 Ins. by G.S.R. 397-A, dated 21-3-1971, Gazette of India, Extraordinary, Pt. II, Sec. 3(i), p. 299.

6 Subs. by Act 21 of 1974, s. 2 (w.e.f. 1.4.1974).

- 7 Subs. & Omitted by S. 3, *ibid.* (w.e.f. 1-4-1974).
- 8 Subs. by Act 26 of 1979, s.3 (w.e.f. 1-4-1979).
- 9 Subs. by S.3, *ibid.* (w.e.f. 1-4-1979).
- 10 Subs. by Act 32 of 1984, s.2 (w.e.f. 1-4-1984).
- 11 Subs. by s.3, *ibid.* (w.e.f. 1-4-1984).
- 12 Subs. by Act 28 of 1985, s.2 for certain words (w.e.f. 1-4-1985).
- 3 Subs. by Act 28 of 1985, s. 3, *ibid.* (w.e.f. 1-4-1985).
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4.

Power to make rules.

4.Power to make rules. (1) The Central Government may, by notification in the Official Gazette, make rules providing for the manner in which the gross value of property is to be calculated, for the time at which, and the manner in which, any payments under this Act are to be made, for the making of adjustments between one financial year and another and for any other incidental or ancillary matters.

(2) Every rule made under this section shall be laid as soon as may be after it is made, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session 1[or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid], both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be ; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

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- 1 Subs. by Act 21 of 1974, s.4 (w.e.f. 1.4.1974).
 - 2 Rep. by Act 56 of 1974, s.2 of Sch. I.
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